

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-20682A
Tonto Creek Water Co.
4486 E. Ford Ave.
Gilbert, AZ 85234

RECEIVED

JUL 28 2011

AZ CORP COMM
Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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7-26-11

COMPANY INFORMATION

Company Name (Business Name)	Tonto Creek Water Company, LLC		
Mailing Address	4486 East Ford Avenue		
	(Street)		
Gilbert	AZ	85234	
(City)	(State)	(Zip)	
480.664.0220	602.390.7538		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)		Cell No. (Include Area Code)
Email Address	jcr@tontocreekwater.com		
Local Office Mailing Address			
4486 East Ford Avenue			
(Street)			
Gilbert	AZ	85234	
(City)	(State)	(Zip)	
480.664.0220	602.390.7538		
Local Office Telephone No. (Incl Area Code)	Fax No. (Include Area Code)		Cell No. (Include Area Code)
Email Address	jcr@tontocreekwater.com		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact:	James C. Rea	Vice President	
	(Name)	(Title)	
4486 East Ford Avenue	Gilbert	AZ	85234
(Street)	(City)	(State)	(Zip)
480.664.0220	602.390.7538		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)		Cell No. (Include Area Code)
Email Address	jcr@tontocreekwater.com		
On Site Manager:	Jeff Daniels		
	(Name)		
173 South Blackfoot Road	Payson	AZ	85541
(Street)	(City)	(State)	(Zip)
928.478.0010			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)		Cell No. (Include Area Code)
Email Address	service@arizonarim.com		

James C Rea

4486 East Ford Avenue

Gilbert

AZ

85234

(Zip)

480.664.0220

602.390.7538

Cell No. (Include Area Code)

N/A

(Zip)

Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ C Corporation (C) (Other than Association/Co-op)

☐ Subchapter S Corporation (Z)☐ Association/Co-op (A)

☒ Limited Liability Company

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ COCONINO

GREENLEE

MOHAVE

PINAL

YUMA

STATEWIDE

Company Name: Tonto Creek Water Company, LLC

UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	OCLD (OC less AD)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	-	-	-
303	Land & Land Rights	6,275	-	6,275
304	Structures & Improvements	8,475	4,559	3,916
307	Wells & Springs	22,500	22,500	-
311	Pumping Equipment	3,244	1,512	1,733
320	Water Treatment Equipment	500	250	250
330	Distribution Reservoirs & Standpipes	23,361	23,310	51
331	Transmission & Distrib. Mains	2,402	2,402	-
333	Services	11,200	6,159	5,041
334	Meters & Meter Installations	4,381	3,592	789
335	Hydrants			-
336	Backflow Prevention Devices			-
339	Other Plant & Misc Equipment			-
340	Office Furniture & Equipment			-
340.1	Computers & Software			-
341	Transportation Equipment	600	45	555
343	Tools, Shop & Garage Equip.	661	230	431
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communications Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant			-
	TOTALS	\$ 83,599	\$ 64,559	\$ 19,040

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

Company Name: Tonto Creek Water Company, LLC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1X2)
301	Organization	\$ -		\$ -
302	Franchises	-		-
303	Land & Land Rights	6,275	N/A	-
304	Structures & Improvements	8,475	3.33%	112
307	Wells & Springs	22,500	3.33%	-
311	Pumping Equipment	3,244	12.5000%	304
320	Water Treatment Equipment	500	3.33%	75
330	Distribution Reservoirs & Standpipes	23,361	2.2200%	198
331	Transmission & Distrib. Mains	2,402	2.0000%	-
333	Services	11,200	3.33%	280
334	Meters & Meter Installations	4,381	8.3300%	120
335	Hydrants	-	2.0000%	-
336	Backflow Prevention Devices	-	6.6700%	-
339	Other Plant & Misc Equipment	-	6.6700%	-
340	Office Furniture & Equipment	-	6.6700%	-
340.1	Computers & Software	-	33.3300%	-
341	Transportation Equipment	600	20.0000%	45
343	Tools, Shop & Garage Equip.	661	5.0000%	25
344	Laboratory Equipment	-	10.0000%	-
345	Power Operated Equipment	-	5.0000%	-
346	Communications Equipment	-	10.0000%	-
347	Miscellaneous Equipment	-	10.0000%	-
348	Other Tangible Plant		10.0000%	-
	TOTALS	\$ 83,599		\$ 1,159

Depreciation Expense amount goes on the Comparative Statement of Income and Expense Acct. No. 403.

Company Name: Tonto Creek Water Company, LLC

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 4,609	\$ 3,268
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		605
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	61	
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 4,670	\$ 3,873
	FIXED ASSETS		
101	Utility Plant in Service	\$ 83,150	\$ 83,599
103	Property Held for Future Use		
105	Construction Work In Progress		
108	Accumulated Depreciation - Utility Plant	(66,216)	(64,559)
114	Utility Plant Acquisition Adjustments		401
115	Accumulated Amortization of Util Plant Acq Adj		(8)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 16,934	\$ 19,434
	TOTAL ASSETS	\$ 21,604	\$ 23,307

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Company Name: Tonto Creek Water Company, LLC

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	995	7
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 995	\$ 7
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		
272	Less: Amortization of contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ -	\$ -
	TOTAL LIABILITIES	\$ 995	\$ 7
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,000	
211	Paid in Capital in Excess of Par Value	5,066	23,900
215	Retained Earnings	14,543	(600)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 20,609	\$ 23,300
	TOTAL LIABILITIES AND CAPITAL	\$ 21,604	\$ 23,307

Company Name: Tonto Creek Water Company, LLC

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 26,648	\$ 19,308
460	Unmetered Water Revenue		
474	Other Water Revenues	92	
	TOTAL REVENUES	\$ 26,740	\$ 19,308
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 10,200	\$ 9,450
610	Purchased Water		
615	Purchased Power	1,297	1,230
618	Chemicals		
620	Repairs and Maintenance	547	1,297
621	Office Supplies & Expense	1,138	1,894
630	Outside Services	80	
635	Water Testing	828	618
641	Rents		
650	Transportation Expenses	2,162	2,105
657	Insurance - General Liability	1,862	
659	Insurance - Health and Life		
665	Regulatory Expenses	45	214
675	Miscellaneous Expense	333	611
403	Depreciation Expense	1,817	1,159
406	Amort of Utility Plant Acq Adj's	-	8
408	Taxes Other Than Income	2,132	997
408.11	Property Taxes	941	931
409	Income Tax	50	-
	TOTAL OPERATING EXPENSES	\$ 23,432	\$ 20,513
	OPERATING INCOME/(LOSS)	\$ 3,308	\$ (1,205)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Exp		
427	Interest Expense		2
	TOTAL OTHER INCOME/(EXPENSE)	\$ -	\$ 2
	NET INCOME/(LOSS)	\$ 3,308	\$ (1,203)

Company Name: Tonto Creek Water Company, LLC

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	No Loans			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ -	\$ -	\$ -	\$ -
Amount Outstanding	\$ -	\$ -	\$ -	\$ -
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$ -	\$ -	\$ -	\$ -
Current Year Principal	\$ -	\$ -	\$ -	\$ -

Meter Deposit Balance at Test Year End None

Meter Deposits Refunded During the Test Year \$ -

Company Name: Tonto Creek Water Company, LLC	
Name of System:	ADEQ Public Water System Number: 04-021

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-625895	2	16	29	6	1.5	1962

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS

Horsepower	Quantity
5.0	1

FIRE HYDRANTS

Quantity Standard	Quantity Other

STORAGE TANKS

Capacity	Quantity
15,000	2

PRESSURE TANKS

Capacity	Quantity
2,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

Company Name: Tonto Creek Water Company, LLC		
Name of System:	ADEQ Public Water System Number:	04-021

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Galvanized	4900
3		
4	Galvanized	4800
5		
6		
8		
10		
12		
1.5	Galvanized	950
1.5	Sch 40	500
2	Sch 40	800

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	73
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

One 12' by 24' pumphouse

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

Company Name: Tonto Creek Water Company, LLC	
Name of System:	ADEQ Public Water System Number: 04-021

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY				
FEBRUARY				
MARCH				
APRIL	73	118,780	167,040	
MAY	73	319,180	295,090	
JUNE	73	343,730	389,780	
JULY	73	262,775	258,480	
AUGUST	72	234,020	281,320	
SEPTEMBER	72	220,362	230,620	
OCTOBER	72	106,104	118,380	
NOVEMBER	71	118,691	124,915	
DECEMBER	71	69,250	78,730	
TOTALS		1,792,892	1,944,355	-

What is the level of arsenic for each well on your system? 0.0011 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for hours

If system has chlorination treatment, does this treatment system chlorinate continuously?

YES

NO

N/A

Is the water utility located in an ADWR Active Management Area ("AMA")?

YES

NO

Does the Company have an ADWR gallons per capita day ("GPCD") requirement?

YES

NO

If Yes, please provide the GPCD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Company Name: Tonto Creek Water Company, LLC		
Name of System:	ADEQ Public Water System Number:	04-021

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	None		
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS	-	-	-

OTHER (description):

COMPANY NAME Tonto Creek Water Company, LLC **YEAR ENDING 12/31/10**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2010 was: \$ 931

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Taxes

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Gila County</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James C. Rea</u>
COMPANY NAME	<u>Tonto Creek Water Co.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

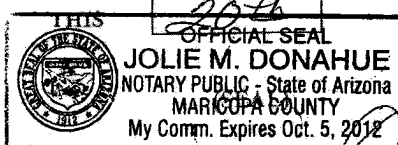
I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
602-390-7538
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>July</u>	<u>2011</u>

[Signature]
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Oct 5th, 2012

COMPANY NAME Tonto Creek Water Company, LLC

YEAR ENDING 12/31/10

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$	-
Estimated or Actual Federal Tax Liability	\$	-

State Taxable Income Reported	\$	-
Estimated or Actual State Tax Liability	\$	-

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	\$	-
Amount of Gross-Up Tax Collected		-
Total Grossed-Up Contributions/Advances	\$	-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certified that the Utility has refunded to Payers all gross-up tax refunds reported in the prior years annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company, or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

JUL 28 2011

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>GILA COUNTY</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>JAMES C. REA</u>
COMPANY NAME	<u>TOWTO CREEK WATER CO.</u>

AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 19,913.00

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1513.00
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
1002-390-7538
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

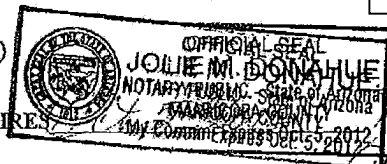
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

27 DAY OF

COUNTY NAME	<u>Jolie M. Donahue</u>	
MONTH	<u>April</u>	<u>2011</u>

(SEAL)



MY COMMISSION EXPIRES


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

JUL 26 2011

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) GILA COUNTY	
NAME (OWNER OR OFFICIAL) JAMES C. TEA	TITLE VP
COMPANY NAME TOWNO CREEK WATER CO.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

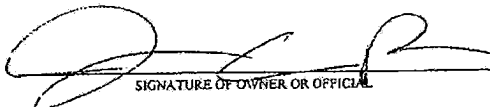
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

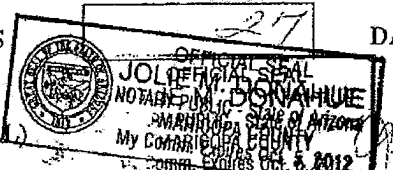
ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 19,913.00

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1513.00
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL
602-390-7538
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 27 DAY OF

(SEAL)
MY COMMISSION EXPIRES Oct 6, 2012

NOTARY PUBLIC NAME Jolene M. Donahue	
COUNTY NAME Maricopa	
MONTH April	2011


SIGNATURE OF NOTARY PUBLIC